Filing at a Glance

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State: Arkansas
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SERFF Status: Closed-Filed
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General Information

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Submitted By: Karilynn Bagnell
Filing Description:
LifeSecure Insurance Company
NAIC #77720
Advertising Filing:
LS-0316 ST 06/10, Consumer Presentation
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State Status Changed: 11/29/2010
Created By: Karilynn Bagnell
Corresponding Filing Tracking Number:

Enclosed for your review and approval are the above referenced presentations. They will be used with our long term care policy, LS-0001 ST 07/07, which was approved by your department on. The presentations will replace forms LS-0306 ST 08/09 and LS-0382 ST 08/09 which were approved by your department on , SERFF Tracking Number

Statements of variability are included for the presentations.

Should you require further information, please contact me at kbagnell@lifesecureltc.com or 810.220.4644.

Sincerely,
Karilynn C. Bagnell

Company and Contact

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Filing Company Information

LifeSecure Insurance Company	CoCode: 77720	State of Domicile: Michigan
10559 Citation Drive	Group Code: 572	Company Type: Life, A & H
Suite 300	Group Name: BCBS of MI GRP	State ID Number:
Brighton, MI 48116	FEIN Number: 75-0956156	
(810) 220-8774 ext. [Phone]		

Filing Fees

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
LifeSecure Insurance Company	$100.00	11/29/2010	42384939

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Marie Bennett	11/29/2010	11/29/2010

Disposition

Disposition Date: 11/29/2010

Implementation Date:

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Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	*LFSC-126922252*	*State:*	*Arkansas*
Filing Company:	*LifeSecure Insurance Company*	*State Tracking Number:*	*47403*
Company Tracking Number:	*ADV-LS-0316 ST 06/10*		
TOI:	*LTC03I Individual Long Term Care*	*Sub-TOI:*	*LTC03I.001 Qualified*
Product Name:	*PowerPoints 2010*		
Project Name/Number:	*/*		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Statement of Variability		Yes
Form	Consumer Presentation		Yes
Form	Worksite Presentation		Yes

Form Schedule

Lead Form Number: LS-0316 ST 06/10

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	LS-0316 ST 06/10	Advertising	Consumer Presentation	Initial			LS-0316 ST 06.10.pdf
	LS-0382 ST 06/10	Advertising	Worksite Presentation	Initial			LS-0382 ST 06.10.pdf

Option A or B

Individual Long Term Care Insurance

[presented to][by]

[[Agency][Agent][Company] Name and/or Logo]

This is an insurance solicitation.

Speaker Notes – Title

Welcome to the LifeSecure Individual Long Term Care Insurance presentation.

Our presentation will last approximately 20 minutes and we've structured the presentation to answer the most common and important questions about both long term care and Long Term Care Insurance.

There are many reasons why you should consider long term care insurance: it allows you to better protect your savings and assets; it helps you control both the type of care you receive and the location or setting where care can be provided, and it gives you and your family peace of mind knowing a plan is in place - should the need for long term care arise.

Let's begin our presentation by defining what long term care is.

What is Long Term Care?

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"Care" versus "Cure"

- **Types of Long Term Care (LTC)**
  - Custodial care
  - Supervisory care
  - Skilled care
- **Where LTC services are provided**
  - At home
  - In the community (adult day care, hospice care)
  - Assisted living facility
  - Nursing home facility

86% of the individuals receiving long term care do so in their home or in the community.[1] The average time in a nursing home is 2.4 years.[2]

1 *Georgetown University, Long-Term Care Financing Project, Long-Term Care Financing: Policy Options for the Future, Judith Feder, Harriet L. Komisar, Robert B. Friedland, June 2007*

2 *Center for Disease Control, National Health Statistics Reports, Number 9, October 2008.*

Speaker Notes – What is Long Term Care?

The first point I want to make is that LifeSecure Insurance Company's long term care insurance plan is not like medical care. With medical care, the focus is on skilled or acute care – care that is delivered with the objective of returning us to good health or curing us. With long term care the focus is on caring, not curing.

Long term care is the assistance, care or services a person needs when he or she is unable to perform basic activities of daily living – such as bathing, dressing or eating without support or supervision due to a physical or cognitive disorder.

The majority of care comes in the form of custodial care (simply helping or supporting someone perform their activities of daily living) or in the form of supervisory care (an instance where an individual needs significant supervision due to a serious cognitive condition). A smaller portion of long term care comes in the form of skilled care, such as care required from a nurse.

Long term care is provided at home, in the community, in an Assisted Living Facility or in a Nursing Home. A Georgetown University study of long term care tells us that of the individuals receiving long term care, 86% receive that care in their home or community. If more intensive care is needed, the average time spent in a Nursing Home is 2.4yrs.

Transition Statement: So why should we be concerned about long term care today?

Why be concerned about LTC?

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- More than 60% of all Americans turning 65 will need long term care at some point in their lives.[3]
- Growing demands on the "Sandwich Generation"[4]
- Void in our benefit plans
- Long term care services are expensive.

[3] *Georgetown University, Long-Term Care Financing Project, Long-Term Care Financing: Policy Options for the Future, Judith Feder, Harriet L. Komisar, Robert B. Friedland, June 2007*

[4] *US Department of Labor, Bureau of Labor Statistics, Monthly Labor Review. September 2006*

Speaker Notes – Why be concerned about LTC?

There are four reasons why our conversation today is an important one.

First: The need for long term care has become very significant. A study of LTC found that "more than 60% of all Americans turning 65 will need long term care at some point in their lives".

Second: There are growing demands on the "Sandwich Generation", which is defined as individuals (typically women between the ages of 45 to 56) who must care for their own families (sometimes young children and teenagers) in addition to an older relative who needs assistance with Activities of Daily Living. The reality is that the need for long term care does not only affect the individual in need of care, but can also impact the entire family – across multiple generations.

Third: There is a void in our overall benefit coverage. Both our Medical Insurance plans and the Medicare program have been designed to help us by paying for the skilled or acute care needed to return us back to good health. They were not designed to cover the custodial care we need when faced with long term care. The one government program that does pay for custodial care is the Medicaid program. Medicaid, however, requires that we first spend down our savings to a state-mandated level of poverty before it will pay, Medicaid is an important program, but one that is designed to help us when we have no where else to turn.

The last point is this – long term care services are expensive. Let's take a look at the cost of care on our next slide.

What is the cost of LTC?

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Type of Care	[National] [State] Average Median Annual Costs[5]
Home Health Aide Services Non-Medicare Certified, Licensed (based on 20 hours per week)	**[$19,760] [$]**
Assisted Living Facility Private One Bedroom	**[$38,220] [$]**
Nursing Home Private Room	**[$75,190] [$]**

[5] *Based on information from the Genworth [2010] Cost of Care Survey – [April 2010].*

Speaker Notes – What is the cost of LTC?

The [National] [State] averages for one year of care are the following:
For care at home based on five, 4 hour visits, or 20 hours per week, the cost is [$19,760][$].
For care in an Assisted Living Facility the cost is [$38,220][$].
And for care in a Nursing Home the cost is [$75,190][$]. The cost cited for the Nursing Home is for a private room.

In many instances families without protection find the need to use money that is currently in their 401K plans, other investments or even their children's college education fund to help pay for long term care.

The fact is that the responsibility for long term care is ours. We, as individuals and families, will either make changes to our lifestyles to perform the needed care as informal caregivers, or pay for care that requires more skill or time than we possess – or some combination of both.

Transition Statement: Next, we will look at the financial value of a long term long term care insurance policy.

What is the financial value of Long Term Care Insurance (LTCI)?

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- 40 year old ($200,000 plan with 2% MBAL = $4,000)

Monthly Premium*	Total Premium* 40 Years	Lifetime Benefit
$47	$22,560	$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 40 Years	Total Saved with Interest
$47	$22,560	$72,538

* Rates are for illustrative purposes only and may vary based on available discounts. Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Your premium rate will be based on age, health history, current health conditions and other underwriting criteria, and may be higher or lower than the rates shown above.

Speaker Notes – What is the financial value of Long Term Care Insurance (LTCI)?

Example for 40 year old

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 40 year old who purchases a long term care insurance plan with a Benefit Bank of $200,000 and a monthly benefit access limit of 2% or $4,000. The monthly premium for this plan is $47. Just for example's sake, if our 40 year old were to make premium payments in that same amount until the age of 80, he would pay $22,560 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 45 or 55 or 65, the full $200,000 Benefit Bank would still be available.

In our second example let's assume our 40 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 40 year time frame they could grow that money to $72,538. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full $200,000 Benefit Bank; second, we must commit the full 40 years to attain the $72,538 in our savings program; third, the $72,538 is a pre-tax amount; and finally, consider what the cost of long term care will be in 40 years. This is simply not an efficient way to meet long term care needs.

What is the financial value of Long Term Care Insurance (LTCI)?

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- 50 year old ($200,000 plan with 2% MBAL = $4,000)

Monthly Premium*	Total Premium* 30 Years	Lifetime Benefit
$64	$23,040	$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 30 Years	Total Saved with Interest
$64	$23,040	$53,576

* Rates are for illustrative purposes only and may vary based on available discounts. Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Your premium rate will be based on age, health history, current health conditions and other underwriting criteria, and may be higher or lower than the rates shown above.

Speaker Notes – What is the financial value of Long Term Care Insurance (LTCI)?

Example for 50 year old

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 50 year old who purchases a long term care insurance plan with a Benefit Bank of $200,000 and a monthly benefit access limit of 2% or $4,000. The monthly premium for this plan is $64. Just for example's sake, if our 50 year old were to make premium payments in that same amount until the age of 80, he would pay $23,040 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 55 or 65 or 75, the full $200,000 Benefit Bank would still be available.

In our second example let's assume our 50 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 30 year time frame they could grow that money to $53,576. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full $200,000 Benefit Bank; second, we must commit the full 30 years to attain the $53,576 in our savings program; third, the $53,576 is a pre-tax amount; and finally, consider what the cost of long term care will be in 30 years. This is simply not an efficient way to meet long term care needs.

What is the financial value of Long Term Care Insurance (LTCI)?

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- 60 year old ($200,000 plan with 2% MBAL = $4,000)

Monthly Premium*	Total Premium* 20 Years	Lifetime Benefit
$102	$24,480	$200,000

- Savings Plan with 5% interest compounded annually

Monthly Deposits	Deposits 20 Years	Total Saved with Interest
$102	$24,480	$42,496

* Rates are for illustrative purposes only and may vary based on available discounts. Long term care insurance is individually underwritten. Each applicant may or may not be approved for coverage based upon current and/or past health conditions. Your premium rate will be based on age, health history, current health conditions and other underwriting criteria, and may be higher or lower than the rates shown above.

Speaker Notes – What is the financial value of Long Term Care Insurance (LTCI)?

<u>Example for 60 year old</u>

Clearly long term care may require significant cost. So let's address the question "What is the financial value of Long Term Care Insurance (LTCI)?" I want to use two examples to answer this question.

In our first example we have a 60 year old who purchases a long term care insurance plan with a Benefit Bank of $200,000 and a monthly benefit access limit of 2% or $4,000. The monthly premium for this plan is $102. Just for example's sake, if our 60 year old were to make premium payments in that same amount until the age of 80, he would pay $24,480 over that time.

This is not a small amount of money and a fair question would be, why would I make these payments? The answer is that for a much lesser cost in premiums we are buying immediate access to the full Benefit Bank, should we need long term care. That means if care was needed at the age of 65 or 75 or 85, the full $200,000 Benefit Bank would still be available.

In our second example let's assume our 60 year old decides not to purchase a long term care insurance and instead makes deposits of the same amount into a savings plan that pays 5% interest compounded annually. If they did so for the same 20 year time frame they could grow that money to $42,496. This too is a significant amount of money, but let's look at this purely in terms of a need for long term care: first, the premium payment buys immediate access to the full $200,000 Benefit Bank; second, we must commit the full 20 years to attain the $42,496 in our savings program; third, the $42,496 is a pre-tax amount; and finally, consider what the cost of long term care will be in 20 years. This is simply not an efficient way to meet long term care needs.

How does the LifeSecure insurance plan work?

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You create your plan.

- ☐ **Choose a Benefit Bank**

  Any amount between $75,000 and $1,000,000

  NOTE: **In Indiana**: minimum Benefit Bank is $140,000

- ☐ **Choose a Monthly Benefit Access Limit**

  1%, 2% or 3%* of Benefit Bank

  3% Monthly Benefit Access Limit not available for Benefit Banks over $500,000

Benefit Bank		Access Limit		Monthly Benefit
$300,000	x	1%	=	$3,000

For example, a $300,000 Benefit Bank and a 1% Monthly Benefit Access Limit would give you access to $3,000 per month.

Speaker Notes – How does the LifeSecure insurance plan work?

Transition Statement: Now, let’s look at how long term care insurance works.

With LifeSecure, long term care insurance is easy to understand. You create your own plan by making two key decisions:

The first decision is to choose a plan “Benefit Bank”. The Benefit Bank represents the total amount of money you want to have available to help pay for long term care should you need it. You may choose any amount between $75,000 and $1,000,000.

The second decision is choosing a Monthly Benefit Access Limit. This represents the amount of money that you want available to use for one month of care. You may choose 1%, 2% or 3% of your selected Benefit Bank amount (with one limitation: 3% cannot be selected for Benefit Bank amounts in excess of $500,000). In our example, we see that a $300,000 Benefit Bank with a 1% access limit provides a monthly benefit of $3,000 – pretty easy, isn’t it?

Transition Statement: Next, let’s take a look at how this plan design would payout if you needed care.

How will it pay out?

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Benefit Payout Structure

- Defined long term care services are reimbursed up to the full Monthly Benefit Access Limit each month
- **Flexible Benefit** – up to 50% of your un-used Monthly Benefit is available to support informal care and services, such as payment for care provided by family members, home modifications, and leased equipment; may be used without simultaneous use of licensed services

	Example 1	Example 2
Available Monthly Benefit	**$3,000**	**$3,000**
Licensed Care Expenses (reimbursable)	**$2,000**	**$0**
Unused Monthly Benefit	**$1,000** x 50%	**$3,000** x 50%
Available Flexible Benefit	**$500**	**$1,500**

Speaker Notes – How will it pay out?

Our plan will pay out in the following manner: For all care provided at home by a licensed care provider, (some examples are a Licensed Nurse, Home Health Aid or Therapist) or for care in a facility (Adult Day Care Center, an Assisted Living Facility or Nursing Home) the plan will reimburse for all covered expenses up to the Monthly Benefit Access Limit selected.

In the event that any benefit dollars remain at the end of the month, the LifeSecure policyholder has the choice of retaining the unused portion in the Benefit Bank for future use or, under the plan's Flexible Benefit, the policyholder may use up to 50% of the remaining monthly benefit to help pay for informal care or services that allow the individual to remain at home.

In our 1st example, where a portion of the monthly benefit is used for licensed care, $500 is available for use under the Flexible Benefit. In our 2nd example, where no licensed care is received, $1,500 is available for use under the Flexible Benefit.

Transition Statement: Let's take a closer look at how you can use the Flexible Benefit.

How can the Flexible Benefit be used?

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- **The Flexible Benefit is designed to provide greater flexibility in the type of care or services you receive – beyond traditional licensed services.**

  - Informal care provided by family members or friends
  - Training for an informal caregiver
  - Home modifications (i.e. wheelchair ramp or grab bars)
  - Care-related products or personal supplies
  - Durable medical equipment or other home medical technology

Speaker Notes – How can the Flexible Benefit be used?

The Flexible Benefit is designed to provide greater flexibility in the type of care or services you receive. It can be used to pay for a variety of expenses other than traditional licensed care.

One of the greatest benefits is payment for informal care. Informal care is care that is provided in the home by a family member, friend or other relative – someone who is not a licensed caregiver. Expenses for training informal caregivers or helping them gain skills in caregiving can also be reimbursed using the Flexible Benefit. In addition, the benefit can be used for certain home modifications and other care-related products.

Our goal with this feature is to help you and your family manage your long term care needs while providing flexibility in how the money is used.

Transition Statement: Benefit payouts that help pay your LTC needs are the foundation of a long term care insurance plan. Let’s continue by looking at some other features that are also part of the plan.

What else does the LifeSecure insurance plan include?

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Standard Features

- Flexible Benefit
- Guaranteed Future Purchase Offers
- Waiver of Premium

LifeSecure Care Advisor Services

- Delivered by an RN or Social Worker specializing in long term care
- Support, educate and advocate
- Access to an extensive provider service network (up to a 20 % discount)
- Provide for annual comprehensive wellness assessments (for self or family member)

Care Advisor services are optional and provided at no additional cost to you. They are available from day one, not just at time of claim. Use extends to family members of Policyholder.

Speaker Notes – What else does the LifeSecure insurance plan include?

Your LifeSecure plan will include the following standard plan features:

First: Guaranteed Future Purchase Offers. Like so many other parts of our lives, inflation will impact the cost of LTC over time. Guaranteed Future Purchase Offers give policyholders the opportunity every three years to purchase an additional 15% of their current monthly benefit access limit and Benefit Bank. This purchase is made without having to provide evidence of good health and gives the policyholder control over both their future premium and plan value. The Guaranteed Future Purchase Offers stop when you reach 80 years of age or while you are on claim.

Second: The LifeSecure plan includes a “waiver of premium”, that means when a policyholder is in claim, they are no longer required to pay premium.

Third, policyholders and their families will have access to a LifeSecure Care Advisor. These individuals are Registered Nurses or degreed Social Workers specifically trained to work with long term care. Their job is to support, educate and advocate on behalf of the individual and family in claim. They will answer questions, find providers, and help establish and then manage a plan of care for the individual in need of care. They will review our discount provider list to see if there is one available that is right for you. Discounts range from 5% to 20%. Access to LifeSecure Care Advisor Services are optional and provided at no additional cost to you. They begin on day one and extend to members of your immediate family. An annual comprehensive wellness assessment is also available for yourself or a family member.

Transition Statement: At LifeSecure it our goal to keep our policyholders both prepared an informed. With this in mind, we make the following services available to our policyholders as well.

What more can you expect?

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Personal LifeSecure Web Portal

- Stay informed and connected
  - Assessment tools
  - Care Provider directory and search tools
  - Caregiver education programs
  - Planning tools for caregivers

- Update and manage your plan
  - Edit personal profile (address changes, beneficiaries, etc.)
  - Review Benefit Bank balances, premium amounts and other policy details

Your personal LifeSecure Web Portal makes it easy for you to stay connected, whenever it's convenient for you.

Speaker Notes – What more can you expect?

With the LifeSecure Personal Web Portal policyholders stay informed and connected with their long term care insurance plans.

The Web Portal provides you access to many resources, including provider directories, information on current long term care issues, caregiver education programs, and tools to help caregivers assess LTC needs and plan of care.

The Web Portal also allows a policyholder to edit their personal profile, check Benefit Bank balances, and review premium payments and other policy details.

This feature keeps policyholders informed and in control of their plans.

Transition Statement: Because everyone's needs are not the same, we also offer the following benefit features.

Are there any optional benefits?

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Optional Benefits (available for additional premium)

- Automatic Compound Inflation Protection (3% or 5%)

Example: 5% Automatic Compound Inflation Protection

Initial Benefit Bank	=	$200,000
After 10 years, Benefit Bank	=	$325,880
After 20 years, Benefit Bank	=	$530,660

- Lapse Protection Benefit
- Money-Back Promise Option *

* **In ND**: Money-Back Promise is referred to as Return of Premium Upon Death

Speaker Notes – Are there any optional benefits?

The first optional benefit is called Automatic Compound Inflation protection: With this benefit feature, policyholders make the decision to purchase a plan where the monthly benefit access limit and plan Benefit Bank will automatically grow by either 3% or 5% (their choice) compounded on an annual basis going forward. For example: *a $200,000 Benefit Bank with a 5% automatic compound inflation protection will grow to a Benefit Bank of $325,880 after 10 years and to $530,660 after 20 years.* By paying a higher premium, the policyholder is making the decision to pre-pay for the inflation protection as opposed to accepting the Guaranteed Future Purchases offers.

Our second optional benefit is the "Lapse Protection Benefit". It can answer the question: what happens if I have to stop paying my premium? With a standard long term care insurance policy, if you stop paying premium, like so many other forms of insurance (your auto, home, medical) the coverage ends. By adding this optional benefit feature, if a policy is in force for three years or more and then is lapsed due to non-payment of premium, the policyholder will be provided with a reduced paid-up benefit equal to the greater of all premiums paid or to the plan's monthly benefit access limit. If the Lapse Protection Benefit option is not purchased, a Contingent Non-Forfeiture Benefit is included in the policy, which provides some guarantees of coverage protection in case of a substantial rate increase by the carrier.

The final optional benefit is a death benefit feature called the "Money-Back Promise Option". By adding this optional benefit, if you die after holding your policy for 5 years or more, a percentage of the premium (less any benefits paid) is refunded to a named beneficiary. The percentage of payback equals 25% of the premiums paid for policies in force for 5 to 9 years, 50% for policies in force 10 to 14 years and 75% for policies in force 15 years or more.

Transition Statement: Next, let's find out how the claims process works.

How does the claim process work?

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- **Eligibility for benefits**
  - Inability to perform 2 of 6 activities of daily living (bathing, dressing, transferring, toileting, continence, eating) or, diagnosis of a severe cognitive impairment
  - Plan of care prescribed by a licensed health care practitioner
- **Payment of benefits**
  - Single lifetime 90 calendar day benefit wait period
  - Benefit payments will begin after the 90 day wait
  - Benefits paid for services received on a monthly basis

Speaker Notes – How does the claim process work?

Policyholders are considered claim-eligible in one of two ways: 1) when they are certified by a licensed health care practitioner as being unable to perform 2 of 6 activities of daily living without substantial support or supervision, or 2) when they are diagnosed with a severe cognitive impairment (such as Alzheimer's disease) and that this condition is expected to last at least a period of 90 days.

The activities of daily living are: (bathing, dressing, transferring, toileting, continence and eating)

Benefit payments will begin after a one-time 90 calendar day benefit wait period. No services are required to meet this benefit wait period and once in claim premium payments are no longer required. Benefit wait periods are designed to help keep premiums more affordable. Benefits are reimbursed on a monthly basis.

Transition Statement: Next we will look at how to choose a plan design that fits your personal budget.

Quote Calculator

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- **Budget Point Pricing^{SM} – Quote Calculator**
  - Choose a target Monthly Premium amount; or
  - Choose a target Benefit Bank amount
  - Allows you to decide what 'affordability' means in your own household

Our Budget-Point Pricing tool makes quoting easy!

By entering age and target monthly premium, you can quickly and easily find a plan design that fits your personal budget.

Speaker Notes – Quote Calculator ?

The Budget-Point Pricing quote calculator allows you to run a quote online and determine a plan design and premium that's right for you or for your loved one – either by choosing a target monthly premium amount or a target Benefit Bank amount. The quote calculator is very easy to use and will allow you to compare different plan designs all on one screen. You decide what affordability means for your household.

Where does it fit in?

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- **How much coverage do I need?**
  - Care support
  - Cost of care in your area
  - Family health history
  - What can you afford

Plan Decisions

Speaker Notes – Where does it fit in?

As individuals and families, a portion of our lives is devoted to building and managing a personal financial plan. This plan really centers around three key components. Part one of the plan is made up of our income, our home and household expenses. A second part is made up our savings, retirement planning and investments. The third part of the plan is focused on how we protect our personal assets. For many of us, this is where insurance plays an important role.

We use medical insurance to protect ourselves against serious health issues, we use disability insurance to protect our income, if we were to become ill or injured and unable to work for an extended period of time. We use life insurance as a form of income replacement to protect our families in the event of our death. And, as we learned today, we can use long term care insurance to help pay for any custodial care we may need.

To determine how much long term care insurance you may need, take into account the following factors to find plan that's right for you.

1) Is your family in a position where they can provide all or some of the care you or a loved one may need?
2) Do you know the cost of care in your area? Knowing this will allow you to assess the true financial impact of long term care.
3) Take time to review your family health history: look for health issues or trends in your family that are associated with a chronic illness which could lead to long term care.
4) What level of protection can you afford? Keep in mind that an insurance plan which will cover a portion of your long term care expenses could make a significant difference.
5) Consider a plan design that fits your personal budget, with a Benefit Bank amount, Monthly Benefit Access Limit and optional benefits that make sense for you.

Transition Statement: Let's talk about why you should consider purchasing long term care insurance now.

Why purchase now?

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- [Apply with a shorter/simplified application – limited time only]
- Cost based on your age when you apply
- Health is an important consideration
- Important benefit at all ages
- Premium discounts are available
- [Convenience of payroll deduction]
- [Fully portable coverage]
- Family members may apply for coverage

To apply on-line, visit [**URL][secure portal login instructions]**
For [employees][members] and their spouse or domestic partner*: [#####]
[For family members [and][retirees]: [#####]]

[Option A or B]

* **In DC**: spouse or domestic/legal partner; **In MT**: Cohabitants

Speaker Notes – Why purchase now?

There are several reasons why you should consider long term care insurance now:

[For a limited time, LifeSecure is making it even easier for you to apply for long term care insurance with a shortened, simplified application.]

The cost of long term care insurance is based upon your age. The cost will be lower the younger you are at the time of purchase.

It is also based upon your health at the time of purchase so it’s important that you make this decision while your health is good.

Long term care insurance should be viewed as an extension of our medical plans providing support for the custodial or personal care that is not part of most medical plans. It is a benefit that can be used at any age if needed, not just for when we are older.

The LifeSecure plan makes the following discounts available: If both you and your spouse or domestic partner* apply and are insured, there will be a 30% discount off each policy. If your spouse or domestic partner* does not apply or is not accepted, a 10% discount will apply to your policy. [As a member/employee of this group you will receive and additional 5% discount.]

[Payroll deduction for you and your spouse/domestic partner may be available through your employer.]

Your coverage [is fully portable and] will continue as long as you make payments.

Family members may apply too.
This brings us to our final question; How do I get more information or apply for long term care insurance?
When presenting to multi-life groups only:
[You can apply on-line by visiting [URL][secure portal login instructions and numbers].
Contact information:
[Option A or B]
* In DC: spouse or domestic/legal partner; In MT: cohabitants

Limitations and Exclusions

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- No benefits, including the Flexible Benefit, will be payable under the Policy for:
  - a loss that occurs while this Policy is not in force; or
  - an illness, treatment or medical condition that is due to war or act of war, whether declared or not (**In OK**: (whether declared or undeclared) while serving in the military or an auxiliary unit attached to a military unit, or working in an area of war whether voluntarily or as required by an employer); or
  - an illness, treatment or medical condition that results from an attempt at suicide (while sane or insane) (**In CO & MO**: while sane) or an intentionally self-inflicted injury; or
  - expenses for treatment or rehabilitation related to alcoholism or drug addictions; or
  - expenses for services or items to the extent that such expenses are reimbursable under Title XVIII of the Social Security Act (Medicare), or would be so reimbursable but for the application of a deductible or coinsurance amount; or
  - care or services, unless otherwise required by law, for which benefits are duplicated or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law (**in MD**: exclusion for motor vehicle no-fault is not applicable); or
  - care or services provided outside the United States of America, its territories or possessions, or Canada.
  - (**In MD**: payment or any claim, bill or other demand or request for payment for healthcare services that the appropriate regulatory board determines were provided as a result of prohibited referral.
- The following two exclusions do not apply to the Flexible Benefit:
  - care or services provided by a family member unless:
    - he or she is a regular employee of an organization which is providing the treatment, service or care; and
    - the organization receives the payment for the treatment, service or care; and
    - he or she receives no compensation other than the normal compensation for employees in his or her job category; or
  - care or services for which no charge is made in the absence of insurance.

Availability of benefits, amounts, options and discounts, as well as plan limitations and exclusions, may vary by state.

Speaker Notes – Limitations and Exclusions?

The final slide of our presentation shows plan limitations and exclusions. Please be sure to review this information before completing your application. I hope you found this presentation both informative and helpful as you make your long term care insurance coverage decision.

Option A or B

Individual Long Term Care Insurance

[presented to][by]

[[Agency][Agent][Company] Name and/or Logo]

This is an insurance solicitation.

Speaker Notes – Title

Welcome to the LifeSecure Individual Long Term Care Insurance presentation.

Our presentation will last approximately 20 minutes. We will answer the most common and important questions about both long term care and Long Term Care Insurance and why it is important for you to consider this for your group.

There are many reasons why long term care insurance is important: it can provide protection for savings and assets; it helps individuals control both the type of care they receive and the location or setting where care can be provided, and it gives individuals and their families peace of mind knowing a plan is in place - should the need for long term care arise.

Let’s begin our presentation.

Top priorities for employers

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- Attract quality employees
- Retain employees
- Increase employee productivity
- Improve job satisfaction

Speaker Notes – Top priorities for employers

A well-rounded benefit package may help attract quality employees to your company. It may also help retain existing employees, and reduce their desire to “shop around” for a better benefit package elsewhere. Employers who take time to provide a variety of options and resources for their employees may notice an increase in productivity and improved job satisfaction in their employees.

What is Long Term Care?

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"Care" versus "Cure"

- **Types of Long Term Care (LTC)**
  - Custodial care
  - Supervisory care
  - Skilled care
- **Where LTC services are provided**
  - At home
  - In the community (adult day care, hospice care)
  - Assisted living facility
  - Nursing home facility

86% of the individuals receiving long term care do so in their home or in the community.[1] The average time in a nursing home is 2.4 years.[2]

[1] *Georgetown University, Long-Term Care Financing Project, Long-Term Care Financing: Policy Options for the Future, Judith Feder, Harriet L. Komisar, Robert B. Friedland, June 2007*

[2] *Center for Disease Control, National Health Statistics Reports, Number 9, October 2008.*

Speaker Notes – What is long term care?

The first point I want to make is that LifeSecure Insurance Company's long term care insurance plan is not like health care. With health care, the focus is on skilled or acute care – care that is delivered with the objective of returning us to good health or curing us.

With long term care the focus is on caring, not curing.

Long Term Care is the assistance, care or services a person needs when he or she is unable to perform basic activities of daily living – such as bathing, dressing or eating without support or supervision due to a physical or cognitive disorder.

The majority of care comes in the form of custodial care (simply helping or supporting someone perform their activities of daily living) or in the form of supervisory care (an instance where an individual needs significant supervision due to a serious cognitive condition). A smaller portion of long term care comes in the form of skilled care, such as care required from a nurse.

Long term care is provided at home, in the community, in an Assisted Living Facility or in a Nursing Home.
A Georgetown University study of long term care tells us that of the individuals receiving long term care, 86% receive that care in their home or community. If more intensive care is needed, the average time spent in a Nursing Home is 2.4yrs.

Transition Statement: So why should we be concerned about long term care today?

Why be concerned about Long Term Care (LTC) ?

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- More than 60% of all Americans turning 65 will need long term care at some point in their lives.[3]
- Growing demands on the "Sandwich Generation"[4]
- Void in our benefit plans
- Long term care services are expensive.

3 *Georgetown University, Long-Term Care Financing Project, Long-Term Care Financing: Policy Options for the Future, Judith Feder, Harriet L. Komisar, Robert B. Friedland, June 2007*

4 *US Department of Labor, Bureau of Labor Statistics, Monthly Labor Review. September 2006*

Speaker Notes – Why be concerned about long term care (LTC)?

There are four reasons why our conversation today is an important one.

First: The need for long term care has become very significant. A study of LTC found that “more that 60% of all Americans turning 65 will need long term care at some point in their lives”.

Second: There are growing demands on the “Sandwich Generation”, which is defined as individuals (typically women between the ages of 45 to 56) who must care for their own families (sometimes young children and teenagers) in addition to an older relative who needs assistance with Activities of Daily Living. The reality is that the need for long term care does not only affect the individual in need of care, but can also impact the entire family – across multiple generations.

Third: There is a void in our overall benefit coverage. Both our medical insurance plans and the Medicare program have been designed to help us by paying for the skilled or acute care needed to return us back to good health. They were not designed to cover the custodial care we need when faced with long term care. The one government program that does pay for custodial care is the Medicaid program. Medicaid, however, requires that we first spend down our savings to a state-mandated level of poverty before it will pay, Medicaid is an important program, but one that is designed to help us when we have no where else to turn.

The last point is this – long term care services are expensive. Next, I’ll explain when long term care is needed.

When is LTC needed?

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- **Long term care is needed when:**
  - A person is no longer able to care for him/herself independently
  - Ongoing assistance is required to perform Activities of Daily Living (ADLs)
  - A person is chronically ill
  - A person needs substantial supervision due to a severe cognitive impairment such as Alzheimer's Disease.

The need for long term care can happen at *any* age.

Speaker Notes – When is LTC needed?

Long term care is needed when a Licensed Health Care Practitioner certifies that an individual is unable to perform, without Substantial Assistance from another person, at least two Activities of Daily Living for a period that is expected to last at least 90 days - OR - when an individual requires Substantial Supervision due to a Severe Cognitive Impairment.

The need for long term care (which includes personal, skilled and custodial care) can happen at any age and has become one of the largest potential unfunded expenses. Approximately 40% of Americans currently receiving long-term care are adults 18 to 64 years old.

(Source: National Clearinghouse for Long Term Care Information – www.longtermcare.gov/LTC as posted June 14, 2010.)

Let's take a look at the cost of care on our next slide.

What is the cost of LTC?

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Type of Care	[National] [State] Average Median Annual Costs[5]
Home Health Aide Services Non-Medicare Certified, Licensed (based on 20 hours per week)	**[$19,760] [$]**
Assisted Living Facility Private One Bedroom	**[$38,220] [$]**
Nursing Home Private Room	**[$75,190] [$]**

[5] *Based on information from the Genworth [2010] Cost of Care Survey – [April 2010].*

Speaker Notes – What is the cost of LTC?

The average median costs for one year of care are the following:
For care at home based on five, 4 hour visits, or 20 hours per week, the cost is [$19,760][$].
For care in an Assisted Living Facility the cost is [$38,220][$].
And for care in a Nursing Home the cost is [$75,190][$]. The cost cited for the Nursing Home is for a private room.

In many instances families without protection find the need to use money that is currently in their 401K plans, other investments or even their children's college education fund to help pay for long term care.

The fact is that the responsibility for long term care is ours. We, as individuals and families, will either make changes to our lifestyles to perform the needed care as informal caregivers, or pay for care that requires more skill or time than we possess – or some combination of both.

Transition Statement: Many people think the government will pay for LTC expenses. Let's see if that's true.

Who pays for long term care?

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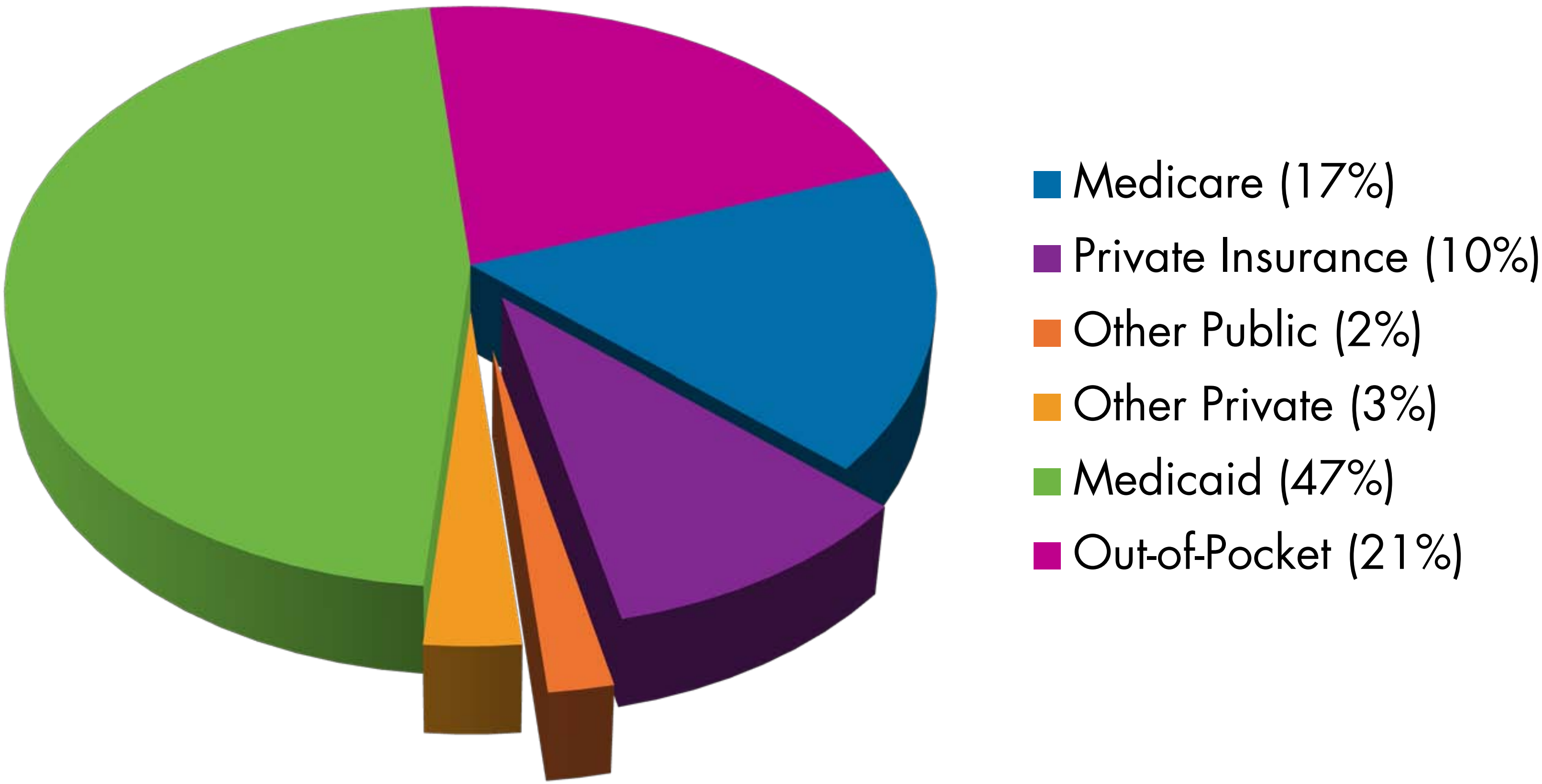

Source: Long-Term Care Financing: Policy Options for the Future, Georgetown University LTC Financing Project; Feder, Komisar, & Friedland, June 2007

Speaker Notes – Who pays for long term care?

This chart dispels the common myth that the government will pay for Long Term Care services for most middle & upper class Americans. Only 17% of LTC is paid by Medicare – not a high number. And while Medicaid pays 47% of LTC costs; you have to be at POVERTY level to qualify. This is not a good option for people who want to protect their investments and assets.

Transition statement: Next, let's find out how many working Americans juggle the added responsibility of caring for a loved one and the effect it has on their lives.

Who are the caregivers?

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- Nearly six in ten caregivers (59% of the workforce) are currently employed[6]
- Almost four in ten (39%) of caregivers are men, and 60% of them work full-time[7]
- More than half of working caregivers have had to make adjustments to their work life, from reporting late to work to taking time off [8]
- Nine percent (9%) of employed caregivers leave their jobs due to caregiving responsibilities[9]

[6,7,8,9] *The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business, MetLife Mature Market Institute, July 2006*

Speaker Notes – Who are the caregivers?

Nearly six in ten caregivers are currently employed.

Almost four in ten or (39%) of caregivers are men, and 60% of them are working full-time.
More than half of working caregivers say that as a result of their caregiving responsibilities they have had to go in (to work) late and leave early, or take time off to provide care.
In addition, 9% of employed caregivers report that they leave their full-time jobs due to caregiving responsibilities.

Statistics : The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business, MetLife Mature Market Institute, July 2006

Transition Statement: In addition to these challenges, let's look at the financial impact caregiving has on American business each year.

How does caregiving impact business?

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- American businesses stand to lose as much as $34 billion each year due to employees' need to care for loved ones 50 years of age and older.[10]

Financial losses are a direct result of:

- Replacing employees
- Absenteeism
- Partial absenteeism
- Workday interruptions
- Eldercare crises
- Supervisor time
- Presenteeism

[10] *The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business, MetLife Mature Market Institute, July 2006*

Speaker Notes – How does caregiving impact business?

Industry studies estimate American businesses stand to lose as much as $34 billion a year due to an employee's need to care for a loved one age 50 or older.

These costs come in the form of:
Replacing employees $6.5B, Absenteeism $5.0B, Partial Absenteeism $1.9B, Workday interruptions $6.2B, Eldercare crisis $3.7B, Impact on Supervisor time $1.7B and a new term called presenteeism referring to the affected employees ability to focus on their assigned tasks and responsibilities.

To sum it up…caregivers lose time at work and employers lose productivity.

Statistics: The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business, MetLife Mature Market Institute, July 2006

Transition Statement: So the question is – how will adding LifeSecure LTCi help?

How can LifeSecure Long Term Care Insurance (LTCI) help?

LifeSecure

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- Support for today
- Protection for the future

LifeSecure Care Advisor Services

- Delivered by an RN or Social Worker specializing in LTC
- Support, educate and advocate
- Access to an extensive provider service network (up to a 20% discount)
- Provide for annual comprehensive wellness assessment (for self or family member)

Care Advisor services are optional and provided at no additional cost.
They are available from day one, not just at claim time.
Use extends to family members of policyholder.

Speaker Notes – How can LifeSecure Long Term Care Insurance (LTCI) help?

Will adding long-term care insurance to your benefit package immediately solve all of these issues? Not immediately, but it is an important start. LifeSecure offers two ways to begin addressing the challenges posed by long-term care:

First: The LifeSecure plan provides support for today by making our LifeSecure Care Advisor services available to both the policyholder and their family from day one. That means the insured individual can use these services to help a parent or other family member who is in need of care today, but without a long term care insurance policy.

LifeSecure Care Advisors are Registered Nurses or degreed Social Workers specifically trained to work with long term care. Their job is to support, educate and advocate on behalf of the individual and family in claim. They will answer questions, find providers, and help establish and then manage a plan of care for the individual in need of care. They will review our discount provider list to see if there is one available that is right for the particular situation. The discounts can range from 5% to 20%. Access to LifeSecure Care Advisor services are optional and provided at no additional cost to you. They begin on day one and extend to members of your immediate family. An annual comprehensive wellness assessment is also available for the policyholder or a family member.

The second way the LifeSecure plan can help is by providing individuals with protection for the future and peace of mind that they have put a plan in place for their own families.
Transition Statement: As we've seen, long term care can impact both individuals and businesses. Next, let's find out how the LifeSecure LTCi plan works.

How does the LifeSecure insurance plan work?

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Create a plan.

- Choose a Benefit Bank

  Any amount between $75,000 and $1,000,000

- Choose a Monthly Benefit Access Limit

  1%, 2% or 3%* of Benefit Bank

Benefit Bank		Access Limit		Monthly Benefit
$300,000	x	1%	=	$3,000

For example, a $300,000 Benefit Bank and a 1% Monthly Benefit Access Limit would give you access to $3,000 per month.

NOTES:

- 3% Monthly Benefit Access Limit not available for Benefit Bank amounts greater than $500,000.
- In **IN**: minimum Benefit Bank is $140,000.
- In **WI**: Benefit Bank amounts less than $180,000 require either 2% or 3% Monthly Benefit Access Limit.

Speaker Notes – How does the LifeSecure insurance plan work?

With LifeSecure, Long Term Care Insurance is easy to understand. Individuals can create their own plans with two key decisions:

First, choose a plan “Benefit Bank”. This represents the total amount of money you want to have available to help pay for long term care should you need it. Individuals may choose any amount between $75,000 and $1,000,000 [**In IN:** $140,000 and $1,000,000].

Second decision choose a Monthly Benefit Access Limit. This represents the amount of money available to use for one month’s care. Individuals may choose 1%, 2% or 3% of their selected Benefit Bank amount, with one limitation: 3% cannot be selected for Benefit Bank amounts greater than $500,000. In our example, we see that a $300,000 Benefit Bank with a 1% access limit provides a monthly benefit of $3,000.

NOTES: 3% Monthly Benefit Access Limit is not available for Benefit Bank amounts greater than $500,000; **In IN:** minimum Benefit Bank is $140,000; **In WI:** Benefit Bank amounts less than $180,000 require either 2% or 3% Monthly Benefit Access Limit.

Transition Statement: So, with our plan selected, let’s see how the LifeSecure plan will pay-out if a policyholder needs care?

How does the plan pay out?

LifeSecure

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Benefit Payout Structure

- Defined long term care services are reimbursed up to the full Monthly Benefit Access Limit each month
- **Flexible Benefit** – up to 50% of the policyholder's un-used Monthly Benefit is available to support informal care and services, such as payment for care provided by family members, home modifications, and leased equipment; may be used without simultaneous use of licensed services

	Example 1	Example 2
Available Monthly Benefit	**$3,000**	**$3,000**
Licensed Care Expenses (reimbursable)	**$2,000**	**$0**
Un-used Monthly Benefit	**$1,000** x 50%	**$3,000** x 50%
Available Flexible Benefit	**$500**	**$1,500**

Speaker Notes – How does the plan pay out?

LifeSecure pays out in the following manner: For all care provided at home by a licensed care provider, (some examples are a Licensed Nurse, Home Health Aid or Therapist) or for care in a facility (Adult Day Care Center, an Assisted Living Facility or Nursing Home) the plan will reimburse for all covered expenses up to the Monthly Benefit Access Limit selected.

In the event that any benefit dollars remain at the end of the month, the policyholder has the choice of retaining the unused portion in the Benefit Bank for future use or, under the plan's Flexible Benefit, the policyholder may use up to 50% of the remaining monthly benefit to help pay for informal care or services that allow the individual to remain at home.

In our 1st example, where a portion of the monthly benefit is used for licensed care, $500 is available for use under the Flexible Benefit. In our 2nd example, where no licensed care is received, $1,500 is available for use under the Flexible Benefit.

Transition Statement: Let's take a closer look at how the Flexible Benefit works.

How can the Flexible Benefit be used?

LifeSecure

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- **The Flexible Benefit is designed to provide greater flexibility in the type of care or services policyholders may receive – beyond traditional licensed services.**
  - Informal care provided by family members or friends
  - Training for an informal caregiver
  - Home modifications (i.e. wheelchair ramp or grab bars)
  - Care-related products or personal supplies
  - Durable medical equipment or other home medical technology

Speaker Notes – How can the Flexible Benefit be used?

The Flexible Benefit is designed to provide greater flexibility in the type of care or services policyholders may receive. It can be used to reimburse a variety of expenses other than traditional licensed care.

One of the greatest benefits is payment for informal care. Informal care is care that is provided in the home by a family member, friend or other relative – someone who is not a licensed caregiver.

Expenses for training informal caregivers or helping them gain skills in caregiving can also be reimbursed using the Flexible Benefit. In addition, the benefit can be used for certain home modifications and other covered care-related products.

Our goal with this feature is to help policyholders and their families manage long term care needs while providing flexibility in how the money is used.

Transition Statement: Next, let’s talk about [the LifeSecure Multi-life program and] [tax advantages for LTCi premiums].

Multi-life LTC Program

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Qualification Guidelines for Simplified Issue Underwriting

- **Employer Contribution**
  - ≥ 3 employer-paid employees, or
  - ≥ 10 employer-paid employees and spouses/partners*
- **Voluntary**
  - ≥ 75 eligible employees
- **Benefit Bank**
  - ≤ $400,000
- **Ages 18-68**
- **Actively-at-work ≥ 20 hrs/wk**

  (not applicable to employer-paid spouses/partners*)

* **In DC**: spouse or domestic/legal partner; **In MT**: cohabitants

Speaker Notes – Multi-life LTC Program

Simplified Issue is an abbreviated form of underwriting which requires applicants to answer **only five** “yes or no” questions about their health history.

For groups with fewer than 75 eligible employees, an employer premium contribution is required to qualify for simplified issue underwriting.

Other requirements for Simplified Issue Underwriting include the amount of the Benefit Bank, the applicant’s age and number of hours he or she works per week.

* **In DC**: spouse or domestic/legal partner; **In MT**: Cohabitants

Multi-life LTC Program

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- **Flexible plan contributions**
  - Fully-paid offering
  - Partially-paid offering (with buy-up option)
  - Voluntary basis (employee-pay-all)
- **Employer contribution discount available**
- **Discounts for couples**
- **Easy payroll deduction**
  - Group list bills for employee/spouse* and separation of employer-paid vs. payroll deducted premiums
- **Additional family members eligible for coverage**

* **In DC**: spouse or domestic/legal partner; **In MT**: cohabitants

Speaker Notes – Multi-life LTC Program

LifeSecure's multi-life program makes it easy for you to offer individual long term care insurance in the way that best suits your organization's philosophy and budget:

- As a fully-paid offering
- As a partially-paid offering (with a buy-up option)
- Or, on a voluntary basis (where the employee pays all of the premium)

Policyholders may receive certain discounts, such as am employer contribution or a spousal or couples discount, if applicable.

LifeSecure will provide a group list bill for easy payroll deduction. The bill will include a list of employees and their spouses or partners, and also separates out employer-paid premium from payroll deductions.

You may also extend the opportunity to apply for coverage to family members, even in cases where the employee or member does not wish to apply, but a family member does.

* **In DC**: spouse or domestic/legal partner; **In MT**: Cohabitants

Multi-life LTC Program

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- Potential tax deductions for employer premium contributions
- Fully portable

LifeSecure and its agents do not offer tax or legal advice. You should consult an independent tax or legal advisor to confirm the tax status of long term care premiums.

Speaker Notes – Multi-life LTC Program

If you decide to contribute all or part of the premium, your organization may be eligible for tax deductions. And because LifeSecure's long term care insurance is an **individual** policy, the coverage and discounted rates are fully portable if a policyholder should leave your company.

S-Corps:
Tax Advantages for LTCi Premiums

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- Premium paid for an owner is included in individual gross income
- A self-employed health insurance deduction can be taken for LTCi premiums paid (subject to the IRS age-based limits)

LifeSecure and its agents do not offer tax or legal advice. You should consult an independent tax or legal advisor to confirm the tax status of long term care premiums.

Speaker Notes – S-Corps: Tax Advantages for LTCi Premiums

Partners or more than 2% shareholders of S-Corps are considered to be self-employed owners and can deduct tax-qualified long term care insurance premiums as a trade or business expense similar to traditional health and accident insurance premiums. A tax deduction is allowed for the self employed individual, for his or her spouse and other tax dependents. The annual deductible maximum for each covered individual is subject to the IRS age-based limits.

C-Corps:
Tax Advantages for LTCi Premiums

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- 100% deductible as business expense
- Not included as part of the employee's gross income
- Coverage can be offered to spouses/partners/retirees
- Payroll taxes not required
- Executive carve-outs for key individuals

LifeSecure and its agents do not offer tax or legal advice. You should consult an independent tax or legal advisor to confirm the tax status of long term care premiums.

Speaker Notes – C-Corps: Tax Advantages for LTCi Premiums

C-Corps can benefit from complete (100%) deductibility of the tax-qualified long term care insurance premiums as a business expense. Long Term Care Insurance (LTCi) can be purchased for employees and owners.

Employer paid long-term care insurance premiums are not reported or included as part of the employee’s gross income. They are not included on W-2 statements. Plus, there’s no payroll tax on amounts paid. Company paid policies can cover spouses and domestic partners, even though they are not employed by the corporation … and even retirees.

Corporations may create an “Executive Carveout” plan for key individuals by selecting and paying for the cost of insurance protection.

Tax Advantages for LTCi Premiums

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Attained Age Before Close of [2011]	Maximum Amount Per Individual	Maximum Amount Per Couple
40 or less	[$340]	[$680]
More than 40 but not more than 50	[$640]	[$1,280]
More than 50 but not more than 60	[$1,270]	[$2,540]
More than 60 but not more than 70	[$3,390]	[$6,780]
More than 70	[$4,240]	[$8,480]

Source: IRS Revenue Procedure [2010-40 (2011 limits)]

LifeSecure and its agents do not offer tax or legal advice. You should consult an independent tax or legal advisor to confirm the tax status of long term care premiums.

Speaker Notes – Tax Advantages for LTCi Premiums

Individuals [and S-Corps] may take a self-employed tax deduction when paying for long term care insurance premiums, up to the appropriate annual maximum dollar amount.

Limitations and Exclusions

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This policy includes a one-time [XX] day Benefit Wait Period before benefits are paid.

No benefits, including the Flexible Benefit, will be payable under the Policy for:

- a loss that occurs while this Policy is not in force; or
- an illness, treatment or medical condition that is due to war or act of war, whether declared or undeclared (**In OK**: while serving in the military or an auxiliary unit attached to a military unit, or working in an area of war whether voluntarily or as required by an employer); or
- an illness, treatment or medical condition that results from an attempt at suicide while sane or insane (**In CO & MO**: while sane) or an intentionally self-inflicted injury; or
- expenses for treatment or rehabilitation related to alcoholism or drug addictions; or
- expenses for services or items to the extent that such expenses are reimbursable under Title XVIII of the Social Security Act (Medicare), or would be so reimbursable but for the application of a deductible or coinsurance amount; or
- care or services, unless otherwise required by law, for which benefits are duplicated or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law (**In MD**: exclusion for motor vehicle no-fault law is not applicable); or
- care or services provided outside the United States of America, its territories or possessions, or Canada.
- **In MD**: payment of any claim, bill or other demand or request for payment for healthcare services that the appropriate regulatory board determines were provided as a result of prohibited referral.

The following two exclusions do not apply to the Flexible Benefit:

- care or services provided by a family member unless:
  - he or she is a regular employee of an organization which is providing the treatment, service or care; and
  - the organization receives the payment for the treatment, service or care; and
  - he or she receives no compensation other than the normal compensation for employees in his or her job category; or
- care or services for which no charge is made in the absence of insurance.

Availability of benefits, amounts, options and discounts, as well as plan limitations and exclusions, may vary by state.

Speaker Notes – Limitations and Exclusions

The final slide of our presentation shows plan limitations and exclusions.

Supporting Document Schedules

Item Status: **Status Date:**

Satisfied - Item: Statement of Variability

Comments:

Attachments:

LS-0316 ST-V 06.10.pdf

LS-0382 ST-V 06.10.pdf

EXPLANATION OF VARIABILITY

LONG TERM CARE INSURANCE
SECOND SALE PRESENTATION LS-0316 ST 06/10

Notes, provided for each slide, are to be used by speakers.

Title Slide - LifeSecure Long Term Care Insurance

- Graphic Banner Options A or B

  Option A- if the presentation is co-branded, the following banner will appear:

  Option B – If the presentation is not co-branded, the following banner will appear:

- Bracketed text can be:
  - o Omitted, or
  - o Customized when presentation is given to an audience with one of the following:
    - the Company name and or logo (when used with “presented to”), or
    - the Agency’s’ name and or logo (when used with “presented by”), or
    - the Agent’s names (when used with “presented by”)

Slide – What is the cost of LTC?

- Variable options are bracketed to present the national average and/or state specific medians for the annual cost of care. See Attachment A for state specific details from current study.
  - o Brackets in footnote will allow updating of figures and reference dates based on the Genworth annual survey.

Slide – What is the financial value of Long Term Care Insurance (LTCI)?
Three variable slide options. One, two or all three options may be presented:

- Examples are provided for ages 40, 50 and 60 years. Monthly Premium rates and amounts are for illustration only.
- Value for number of Total Premium is years plus age, so when combined, total equals 80. Examples are provided for:
    - 40 year old, Total Premium 40 Years
    - 50 year old, Total Premium 30 Years
    - 60 year old, Total Premium 20 Years
- Numeric values in the Notes section will change with corresponding values in each slide.

Slide – Quote Calculator
This is an optional slide that will only be presented when "Budget Point Pricing" is marketed by LifeSecure and/or a licensed entity.

Slide and Notes – Why purchase now?
This "call to action" slide will be used with individual prospects and multi-life groups. The following areas are bracketed and will only appear when applicable to employees or members of multi-life groups:

- Apply with a shorter/simplified application – limited time only
- Convenience of payroll deduction
- Fully portable coverage
- "To apply on-line" bracketed area
    - Line 1 – LifeSecure or licensed enitity's URL to appear here. Secure portal login instructions to appear here.
    - Line 2 – The use of "employees" or "members" will be determined by the client's audience for which the discount applies. (example: ABC Credit Union members or ABC Company employees). Number will be specific to this group.
    - Line 3 – Bracketed text will be used when LifeSecure insurance offer is extended to family members and/or retirees of a group. Number will be specific to this group.

Contact Information Options A or B:

<u>Option A – non co-branded</u>
This will be used by LifeSecure to provide generic contact for the company:

[For more information, contact me or call us at [**1-866-582-7701]**,
or visit us at **www.YourLifeSecure.com**]

<u>Option B – co-branded</u>
This will be used when the marketing piece is co-branded with LifeSecure and other licensed entities to customize with their contact information:

[For more information, contact [Company name] [Company address] [Contact Name] [Title] at [**Phone**] [or] [email address][website address].]

EXPLANATION OF VARIABILITY

LONG TERM CARE INSURANCE
FIRST SALE PRESENTATION LS-0382 ST 06/10

Notes, provided for each slide, are to be used by speakers.

Title Slide - LifeSecure Long Term Care Insurance

- Graphic Banner Options A or B

  Option A- if the presentation is co-branded, the following banner will appear:

  Option B- if the presentation is not co-branded, the following banner will appear:

- Bracketed text can be:
  - omitted, or
  - customized when presentation is given to an audience with one of the following:
    - the Company name and or logo (when used with "presented to"), or
    - the Agency's' name and or logo (when used with "presented by"), or
    - the Agent's names (when used with "presented by")

Slide - Top priorities for employers

This <u>**slide**</u> will be used when <u>soliciting an employer group</u> only

Slide - What is the cost of LTC?

- Figures are bracketed to present either the national or state specific average medians for the annual cost of care. See Attachment A for state specific details from current study.
  - Brackets in footnote will allow updating of figures and reference dates based on the Genworth annual survey.

Slide - How does caregiving impact business?

This **<u>slide</u>** will be used when <u>soliciting an employer group</u> only

Slide – How can the Flexible Benefit be used?
Note section only – transition statement

The following statement will be used when soliciting a non-employer group:
Next, let's talk about tax advantages for LTCI premiums.

The following statement will be used when soliciting an employer group:
Next, let's talk about the LifeSecure Mulit-life program and tax advantages for LTCI premiums.

Slide – Multi-life LTC Program (3 slides)
Slide – S-Corp Tax Advantages for LTCI Premiums
Slide – C-Corp Tax Advantages for LTCi Premiums

These **<u>slides</u>** will be used when <u>soliciting an employer group</u> only (if applicable)

Slide – Tax Advantages for LTCi Premiums

- The year and figures are bracketed to allow annual updates to the IRS tax deductible limits.
    - Brackets in footnote will allow updating of the applicable IRS Revenue Procedure code and tax year.

Slide – Limitations and Exclusions

- The Benefit Wait Period may be [30] [60] [90] [100] [120] or [180] calendar days.